



## History of Colorado PERA Legislation

### 2009

#### SB 09-282

- Merged DPSRS into PERA effective 1/1/10.
- Added the DPS Division as a separate division within PERA, and appointed a non-voting ex-officio Board member from the DPS Division, to serve on the PERA Board of Trustees.
- Set the DPS Division's payroll contribution rates to equal:
  - Employer: 13.75% from 1/1/10-12/31/12, and 14.15% from 1/1/13 and thereafter, but reduced by district's payments to pay off pension certificates of participation (PCOPs) issued in 1997 and 2008.
  - Member: 8%.
- Required DPS Division employers to pay the AED and SAED.
- Beginning 1/1/15 and every fifth year thereafter, a true-up will be calculated to determine whether DPS employer contribution rate must be adjusted to assure the equalization of the DPS Division's ratio of unfunded actuarial accrued liability (UAAL) over payroll to the PERA School Division's ratio of UAAL over the payroll at the end of the 30 year period.
- Created a separate DPS health care trust fund and allowed DPS retirees to participate in PERACare.
- Other provisions covered portability issues regarding members moving between the DPS Division and other PERA Divisions.

#### SB 09-66

- Transferred administration of the State DC Plan and the State of Colorado 457 Plan to PERA effective 7/1/09, as was recommended by the Legislative Audit Committee.
- Eligible new state employees hired effective 7/1/09, allowed to choose the PERA DB Plan or the PERA DC Plan.

#### SB 09-157

- Allowed certain new University of Colorado employees who were PERA members to make an irrevocable choice between continuing their PERA membership or joining the University's DC Plan. New employees who do not actively make a choice default to the PERA DB Plan.

### 2008

#### HB 08-1403

- Modified law that authorized DPS, the DPSRS and PERA enter into an agreement to merge into PERA.

### 2007

#### HB 07-1377

- Repealed SB 06-235's provision that would have expanded DB and DC retirement plan choice to all new employees hired by higher education institutions.
- Allowed eligible new employees at community colleges the choice of participating in the PERA DB Plan or the PERA DC Plan, effective 1/1/08.

#### HB 07-1184

- Required divestment of certain investments related to Sudan by PERA and other public funds.

## **2006**

### **SB 06-235**

- Required all PERA employers pay a Supplemental Amortization Equalization Disbursement (SAED) that equals 0.5% of covered salary beginning 1/1/08. The SAED would increase by an additional 0.5% of covered salary a year until it reached a total of 3.0% in 2013. The SAED is noted in the statute as being funded from foregone compensation increases from employees.
- For new members hired effective 1/1/07:
  - Unreduced retirement changed to the Rule of 85 (age plus service totals 85) and at least age 55, instead of the Rule of 80 if at least age 55.
  - New COLA will equal the lower of 3% or the actual CPI, if retired for one year and attain age 60 or meet the Rule of 85. COLA will not be automatic and will be limited to PERA's available funds.
- Eliminated the State Auditor's seat on the PERA Board of Trustees effective 1/1/07.
- Substituted three member-elected trustees with three Governor appointed, Senate confirmed trustees to the PERA Board of Trustees effective 7/1/07.
- Expanded DB and DC retirement plan choice to all new employees of higher education institutions hired effective 1/1/08. These employees would have the choice of the PERA DB Plan, PERA DC Plan, and the State DC Plan, in addition to the higher education institution's Optional Retirement DC Plan (if offered).
- Reduced PERA's statutorily prescribed maximum amortization period from 40 years to 30 years.
- Required the General Assembly to contract for an independent actuarial study before future PERA benefit increases may occur.
- Mandated that purchases of service credit be at full actuarial cost.

## **2005**

### **SB 05-73**

- Closed loopholes used to circumvent the 110-day calendar post-retirement employment limit by PERA retirees for a PERA employer.
- Required PERA employers send tax-related forms and data to PERA.
- Applied the AED on salaries earned by PERA retirees who work for PERA employers.

### **SB 05-171**

- Authorized the merger of DPSRS into PERA on an actuarially neutral basis and specified conditions.

### **HB 05-1231**

- Technical changes made to SB 04-257.

### **SB 05-93**

- Expanded the ability to attach a public pension participant's benefits to include restitution for theft or embezzlement of public property, and in the event of a judgment for a willful and intentional violation of fiduciary duties where the offender or a related party received direct financial gain.

## **2004**

### **SB 04-132**

- Terminated MatchMaker employer contributions on payroll periods ending 6/1/04 or later, due to PERA's underfunded status.
- Reduced interest rate credited on PERA member contributions to 5.0% maximum per year, on 7/1/04.
- Reallocated 0.08% PERA employer payroll contribution rate from PERA HCTF to pension trust funds.
- New members hired effective 7/1/05, eligible for early retirement (not unreduced retirement) at age 50 with 30 years of service, and the COLA would equal the lesser of 3% annually, or the actual CPI change.

### **SB 04-257**

- Gave eligible new state government employees hired on or after 1/1/06, the choice of retirement coverage under the State's DC Plan, a new PERA DC Plan, or the PERA DB Plan.
- New classified state employees hired in public higher education institutions would continue to be covered by the PERA DB Plan on a mandatory basis.

## **2004 (Continued)**

### **SB 04-257**

- Eligible new state employees who have prior PERA or State DC Plan accounts:
  - Must have a 12 month break from PERA-covered employment before they can elect the PERA DB Plan, the PERA DC Plan, or the State DC Plan.
  - With less than 12 month break from PERA-covered employment, employees continue to be covered by the Plan in which they last participated (PERA DB Plan, PERA DC Plan, or the State DC Plan).
- Eligible new state employees have 60 days from their first day of employment to elect the PERA DB Plan, the PERA DC Plan, or the State DC Plan, and are covered by the PERA DB Plan until an election is made.
- Eligible new state employees who do not make an election are covered by (default to) the PERA DB Plan.
- PERA state employer payroll contribution rate (10.15%) is allocated to the Plan elected by the new hire (PERA DB Plan, PERA DC Plan, or the State DC Plan).
- In addition to existing PERA employer payroll contribution rates effective through 12/31/05, (10.15% for state and school employers, 10.0% for municipal employers, 12.85% for state trooper employers, and 13.66% for judicial employers), all PERA employers must pay an Amortization Equalization Disbursement (AED) that equals 0.5% of payroll effective 1/1/06.
  - AED increases by 0.5% of payroll in 2007 calendar year.
  - AED increases by 0.4% of payroll each calendar year thereafter.
  - AED 3% maximum payroll rate is reached in 2012 for all PERA employers.
- Required PERA employer contributions on salaries paid to PERA retirees effective 7/1/05.
- Changed the due date for PERA contributions to five business days after the payroll date (from the 10<sup>th</sup> of the month after the month that the employee is paid).
- On 1/1/06, separated the State and School Division into two divisions.
- On 1/1/06, the Municipal Division was renamed the Local Government Division.
- In 2013, the school employer statutory contribution rate increases permanently by 0.4% of payroll since the actuarial normal cost of PERA benefits is 0.4% of payroll higher in the School category than in the State category. In 2013, the School employer payroll rate will be 10.55% (10.15% plus 0.40%) excluding AED.
- If the amortization period falls to 40 years or less in any PERA Division, the AED will be decreased permanently in that Division to maintain the amortization period.

### **SB 04-90**

- Clarified confidentiality of information on PERA's private equity, private debt, and timber investments.

### **SB 04-94**

- Clarified that any amounts deducted from PERA members' pay for contributions to a Health Savings Account (HSA) or any retirement health savings account, would be subject to PERA contributions.

## **2003**

### **SB 03-98**

- Set a maximum of 10 years for the total amount of PERA non-covered service credit that could be purchased.
- Employees of new PERA-affiliated employers would be allowed to buy service for the total years worked under that employer.
- Required a portion of member's cost (1.1% of HAS) to purchase PERA non-covered service credit to be transferred to the PERA HCTF (when the member retired) for each month purchased including interest to the date of the transfer.

### **SB 03-250**

- Allowed merger of the Denver Public Schools Retirement System (DPSRS) into PERA on 1/1/05 if all conditions were met.

## **2003 (Continued)**

### **HB 03-1327**

- Extended program through 6/30/05 that allowed school districts to declare a critical shortage of non-licensed employees and hire PERA retirees to work full-time in non-licensed positions with no reduction in their PERA retirement benefits.

### **SB 03-277**

- Allowed a PERA member and their employer furloughed from 7/1/02-6/30/04 to purchase service for service lost under furlough.

### **SB 03-233**

- Boards of county commissioners were allowed to permit deputy DAs and other DA employees to join the PERA DB Plan or the State DC Plan under certain conditions.

## **2002**

### **SB 02-145**

- Allowed schools to declare a critical shortage for the next three years, and hire retired teachers and retired principals for unlimited periods with no reduction in the retiree's PERA benefit. The school employer would be required to pay PERA employer? contributions on salary earned by all retirees in their respective positions.

### **SB 02-106**

- Conformed PERA statutes to changes in federal "Economic Growth and Tax Relief Reconciliation Act of 2001" (EGTRRA) law. Allowed direct rollovers from IRS 457 and 403(b) plans to purchase PERA non-covered service credit.

## **2001**

### **SB 01-149**

- Allowed district attorneys (DAs) to join PERA or the State DC Plan (generally for Elected Officials).
- Required the State Auditor's Office to submit a "Comprehensive Study of DC and DC Retirement Plan Designs for PERA members" to the Legislative Audit Committee by 12/1/01. This report found:
  - PERA compared very favorably to other public and private sector retirement plans, due to PERA's level of benefits, low costs, blend of DB and DC plan features, and high portability.
  - There was no compelling reason for significant changes to be made to the PERA DB plan.

### **HB 01-1057**

- Permitted PERA retirees working for a PERA-affiliated employer to contribute voluntarily to the PERA 401(k) Plan from salary earned (no MatchMaker employer dollars would be applied).

## **2000**

### **HB 00-1458**

- Allowed unreduced retirement under the Rule of 80 (age plus service totals 80) and at least age 55, effective 6/1/00.
- Allowed state classified employees hired before 7/1/88 with over 360 hours of sick leave to convert 15% of their excess leave hours to salary for PERA contributions and benefit purposes. Other PERA employers were allowed the same conversion approach for employees with over 45 days of excess sick leave. Sick leave conversion provision ended on 7/1/05.
- Moved date of 1% reduction in employer payroll contribution rate forward from 1/1/01 to 7/1/00 since PERA was now fully funded, to 10.4% for the State and School Division, and to 14.0% of payroll for the Judicial Division.
  - Established an additional minimum 0.25% employer payroll contribution rate cut.
  - 20% of any PERA overfunding amortized over 10 years, would be allocated for further employer payroll contribution rate cuts.

## **2000 (Continued)**

### **HB 00-1458**

- 30% of PERA overfunding amortized over 10 years, would be allocated to the HCTF for retiree health care premium subsidy increases.
- Established 3.5% compounded annual automatic COLA effective March 2001.
  - Prior to this date, the annual COLA equaled the lower of the actual inflation rate or annual 3.5% cumulative increases since retirement.

### **HB 00-1222**

- Allowed school districts to declare a critical shortage of non-licensed employees, and hire PERA retirees who would be exempted from PERA's 110-day calendar year post-retirement employment limit.

## **1999**

### **SB 99-90**

- Increased contribution refund match from:
  - 25% to 50% for members under age 65 or not eligible to retire; and
  - 50% to 100% for members age 65 or eligible to retire.
- Employer matching contributions ("MatchMaker") provided on members' voluntary contributions to 401(k), 403(b), 457, and 401(a) DC Plans when PERA is 100% (fully) funded, or 1/1/01 if later. Maximum matching contribution amount set by the PERA Board annually would be designed to amortize PERA's funding surplus over a 10 year period.
- Permanent 1% employer payroll contribution rate cut for state, school, and judicial employers authorized when PERA is fully funded in the State and School Division, and in the Judicial Division.
- Municipal employer payroll contribution rate cut authorized when Municipal Division is fully funded.
- Employer contribution allocated to retiree health care fund was increased from 0.8% to 1.1% of payroll, and employer contribution allocated to pension trust funds was reduced by 0.3% of payroll on 7/1/99.
- Increased maximum PERA monthly retiree health care premium subsidy effective 7/1/00 for retirees under age 65 (and not eligible for Medicare) to \$230 with 20 or more years of service credit.
- Allowed PERA to offer "PERACare" Health Care Program to affiliated employers on a voluntary basis to their active members.
- Reduced State Trooper member contribution rate from 11.5% to 10.0% of salary, effective 7/1/99.

### **HB 99-1080**

- Conformed PERA law to federal law on purchases of "non-qualified" service credit (generally refers to service for prior private sector employment), applicable to new PERA members hired 1/1/99 and later.

### **Senate Joint Resolution 99-10**

- Expressed Legislature's opposition to any federal legislation that would mandate covering state and local government employees' under the Social Security system.

## **1998**

### **HB 98-1242**

- State and School Division employer payroll contribution rate was reduced from 11.5% to 11.4%.

### **HB 98-1191**

- Allowed elected state officials, non-classified state employees in the Governor's Office, and House and Senate employees to elect new State of Colorado Public Officials' and Employees' Defined Contribution Plan effective 1/1/99, (State DC Plan), instead of PERA's Defined Benefit (DB) Plan.
- Allowed unreduced retirement at age 50 with 30 years of service.
- Decreased early retirement benefit reduction from 4% to 3% per year for members retiring with 20-29 years of service between age 55 and age 59.

## **1998 (Continued)**

### **HB 98-1143**

- Allowed PERA benefit recipients to cover their children under PERACare until age 19, or until age 24 if child is a full time student and financially dependent on parent.

### **SB 98-114**

- Additional methods adopted to divide benefits paid from public DB Plans in case of divorce.

## **1997**

### **HB 97-1082**

- Increased retirement formula from 1.5% to 2.5% per year of HAS on 20-40 years service, with 100% HAS maximum benefit. Benefits were recalculated for current benefit recipients on a prospective basis.
- Two-tier disability program (short term disability and disability retirement) effective 1/1/99, to include short-term income, retraining, and rehabilitation benefits to partially or temporarily disabled members.
- One year HAS adopted for Judicial Division's future retiring judges.
- Combined the State Division's and the School Division's trust funds, and reduced the State and School Division employer contribution rate by 0.1% to 11.5% of payroll.

### **HB 97-1114**

- Reduced PERA's maximum amortization period to 40 years from 60 years.
- Established optional Long Term Care Insurance Program for members and retirees.
- Changes made to conform to federal law's changes, and minor changes made to survivor benefits.
- Clarified that PERA benefits were subject to federal tax liens.

## **1996**

### **SB 96-204**

- Required public employee retirement plans to divide a retirement benefit and pay a portion to an alternate payee (ex-spouse) if a written agreement was properly completed and approved by a court.

## **1995**

### **HB 95-1048**

- Interest rate credited on PERA member contribution accounts would equal 6.8% (80% of PERA's 8.5% actuarial investment assumption rate), retroactive to employee's PERA membership date.
- Refunds to PERA members who terminated covered employment before retirement would include a matching amount on member contributions and interest:
  - 25% matching amount to PERA members not eligible to retire;
  - 50% matching amount to members eligible to retire or age 65.
- Money purchase benefit, based on contributions, interest, and a matching amount, would automatically be paid to a retiring member if the benefit amount would be higher than the DB Plan benefit amount.

### **SB 95-33**

- HAS was changed from a calendar year basis, to the three highest 12 consecutive month periods.
- Eliminated 80% HAS maximum benefit with 40 years of service credit.
- Changed method of crediting service credit so that one month of service was credited if PERA-includable salary equaled 80 times the federal hourly minimum wage.

### **SB 95-35**

- Increased maximum payment that retired judge may receive when performing temporary judicial duties.

### **HB 95-1281**

- Required PERA to pay interest in some cases when refunding member contributions made in error.

## **1993**

### **HB 93-1324**

- Early retirement allowed at age 50 with 25 years of service.
- Changed annual COLA to 3.5% maximum, compounded annually, based on the CPI, and folded the PERA CLSF into the PERA pension trust funds.
- Indexed benefits from employment termination until benefit begins, for vested inactive members with 25 or more years of service credit.

### **HB 93-1328**

- Established a separate retirement plan for student employees working at colleges and universities who must be covered under a retirement plan by federal law; exempted these student employees from PERA.

### **HB 93-1235**

- Required PERA and the Denver Public Schools Retirement System (DPSRS) to study the feasibility of a mechanism for transferring service credit between the two retirement systems.

## **1992**

### **HB 92-1335**

- Raised annual post retirement benefit (COLA) increase from 3% simple (non-compounded) increase on base benefit, to a maximum of 4%, for years after 1992.
- Increased retirement formula from 1.25% to 1.5% of HAS with 20 through 40 years of service with increase applied to current benefit recipients on a prospective basis.
- Reduced the School Division employer contribution rate by 0.6% to 11.6% of payroll.
- Temporarily reduced the State Division employer contribution rate by 1.0% of payroll in FY92.

### **SB 92-150**

- Increased maximum percentage of PERA assets that may be invested in stocks from 50% to 65%.

### **SB 92-127**

- Allowed higher education governing boards to established defined contribution (DC) plans for faculty and administrators at any college or university under the board's jurisdiction.

### **HB 92-1092**

- Inactive non-vested PERA member accounts to be transferred to the State's unclaimed property fund after five years following termination of PERA membership.

### **SB 92-115**

- Allowed elected municipal officials to voluntary exempt themselves from PERA membership.

### **HB 92-1205**

- Removed several inequities from PERA benefit provisions and conformed to federal law changes.

## **1991**

### **HB 91-1026**

- Decreased employer payroll contribution rates after state law was changed to require PERA membership for all employees who were not exempt from PERA participation by federal law. PERA employer contribution rates were reduced effective 7/1/91, by 0.6% of salary in the State Division, by 0.3% of salary in the School Division, and by 0.2% of salary in the Municipal Division.

### **HB 91 S2-1031**

- Required that interest credited on PERA member contribution accounts, effective 7/1/91, set annually by PERA Board of Trustees, equal the interest rate earned on 90-day U.S. Treasury bill at the end of the prior year. However, the interest rate could not be less than the Colorado prevailing passbook rate or more than PERA's actuarial investment assumption rate.

## **1991 (Continued)**

### **SB 91-37**

- Clarified that PERA member contributions may be garnished for child support purposes only if membership has terminated and member was not vested for a future benefit. Allowed PERA to recover benefits paid that benefit recipient was not eligible to receive.

### **SB 91-225**

- Created an independent University Hospital Authority, and allowed Hospital employees hired before Authority began operating to be state employees and PERA members during their Hospital employment.

### **HB 91-1233**

- Clarified that all retirement plan funds are exempt from levy, attachment, execution or garnishment, except that benefits or payments are subject to legal process to collect child support.

### **House Joint Resolution 91-1017**

- Designated the House and Senate Finance Committees as committees of reference for PERA.
- House Speaker and Senate President to generally refer bills affecting PERA to the Finance Committees.

## **1990**

### **HB 90-1037**

- Increased maximum retiree health care premium subsidy from \$95 to \$115 per month.

### **HB 90-1032**

- Increased benefits paid from the PERA CLSF to benefit recipients to partially make up the difference between actual inflation and their regular annual increases.

### **HB 90-1087**

- Made technical changes that had no significant effect on benefits.

### **SB 90-119**

- Minor changes were made to survivor benefits.

### **HB 90-1036**

- Allowed PERA to invest in second mortgages and real estate title holding corporations.

## **1989**

### **HB 89-1062**

- Allowed PERA members to purchase service credit for non-qualified employment.
- Allowed purchases of non-qualified or qualified employment after one year of service. Previously, purchases of qualified employment were allowed after five years of service.
  - Non-qualified employment generally refers to private sector employment.
  - Qualified employment generally refers to any public sector employment, in addition to private K-12 school employment, and employment with public employee organizations.

### **HB 89-1057**

- Allowed early retirement for state troopers at age 50, and increased retirement formula for state troopers with more than 20 years of service, from 1.25% to 1.5% of HAS per year.
- Increased state trooper member contribution rate from 9% to 12.3% of salary.

### **SB 89-53**

- Modified the disability benefit reduction for PERA disability retirees with earned income.



## **1989 (Continued)**

### HB 89-1143

- Reorganization of University Hospital as a private non-profit corporation incorporated provisions for handling PERA accounts of state employees at the Hospital. *Note: Bill was enacted but was subsequently overturned in court.*

## **1988**

### HB 88-1077

- Increased benefits paid from PERA CLSF to benefit recipients to partially make up the difference between actual inflation and the benefit recipients' regular annual increases.

### HB 88-1121

- Increased retiree health care premium subsidies paid from the HCTF to \$95 (from \$87) per month on benefits based on 20 or more years of service, and made other changes in the retiree premium subsidy mechanism.

### HB 88-1124

- Changes in disability retirement, benefit options and survivor benefits were made to simplify these benefits and make them more equitable.

### HB 88-1060

- Raised the limit of PERA's investments in any single corporation from 7% to 12% of outstanding stocks or bonds of that corporation.

### HB 88-1141

- Changed retired judges' annual increase in benefits from 1.5% to 3% of the initial benefit.

### HB 88-1129

- Set forth certain conditions in which PERA Municipal Division employers could apply to terminate their affiliation with PERA. The legislation:
  - Required at least 65% of the municipal employer's members vote to disaffiliate from PERA;
  - Preserved the rights of the municipal employer's benefit recipients and vested inactive members;
  - Stated that if the required actuarial report determined that employer's disaffiliation would adversely affect the Municipal Division trust fund's actuarial soundness, employer may be denied disaffiliation.

## **1987**

### SB 87-61

- Modified Rule of 75 allowed unreduced retirement for members whose age and service totaled 75 or more, if member was at least age 55 and retired between 7/1/87 and 9/1/87.
- Lowered early retirement reduction factor from 7% to 4% per year, on benefits of members who retired before reaching their first eligible date for an unreduced retirement benefit, effective 7/1/87.
- Retirement formula was increased for 20 through 40 years of service from 1% to 1.25% of HAS for each year of service, effective 7/1/87.
- Maximum retirement benefit was increased from 70% to 75% of HAS, effective 7/1/87.
- Allowed annual post-retirement increases (COLAs) to be received either on May 1 or November 1, instead of only on May 1, so that retirees would not have to wait over 18 months to receive their first COLA. COLA amount still equaled 3% of the initial retirement benefit, if the CPI increased at a similar rate, and retirees still must have received 12 full monthly benefit checks to qualify for their first increase.
- Reduced School Division employer payroll contribution rate by 1% in FY88 from 12.5% to 11.5%.

## **1987 (Continued)**

### **SB 87-143**

- Allowed all PERA retirees to work 110 days per calendar year (or 360 hours per calendar year if retirees worked less than two hours per day), in a position subject to PERA membership, without affecting the retiree's PERA retirement benefit.
  - Previously, only school and municipal retirees were allowed to work under the 110 day post-retirement employment provision. Other PERA retirees were allowed to work up to 90 days per calendar year without affecting their PERA retirement benefit.
- Recodified PERA law which simplified, reorganized and reduced the statute.

### **HB 87-1059**

- Added a Judicial Division member to the PERA Board of Trustees.

### **SB 87-239**

- Legislature reduced FY88 PERA employer payroll contribution rates to:
    - 10.2% from 12.2% for the State Division;
    - 11.2% from 13.2% for State Troopers (also in the State Division);
    - 11.5% from 12.5% for the School Division;
    - 13.0% from 15.0% for the Judicial Division.
- Legislature did not reduce the 10.2% Municipal Division employer payroll contribution rate in FY88.

### **HB 87-1173**

- Required that the PERA Board's two retiree seats be held by retirees from different PERA Divisions.

## **1986**

### **HB 86-1086**

- Increased benefits paid from the PERA CLSF to current benefit recipients to partially make up the difference between actual inflation and benefit recipients' regular annual increases.

### **SB 86-97**

- Allocated 0.8% of salary from the Judicial Division employer contribution to the HCTF, to help fund health care premium subsidies for retired judges who enroll in the PERA Health Care Program.

### **HB 86-1015**

- Removed the State Treasurer as custodian of PERA funds, as was recommended by the State Treasurer's Office, the State Auditor's Office, and Arthur Andersen & Company (who had audited PERA's financial statements). Since the statute provided that PERA's assets were managed by PERA, this change simplified recordkeeping and reduced costs.

### **SB 86-150**

- Allowed a surviving spouse of a deceased PERA member with less than 10 years of service who died in an accident, to elect PERA's Option 3 continuing (100% joint life) benefit.

### **SB 86-94**

- Allowed all School and Municipal Division retirees to work a maximum of 110 days (instead of 90 days) per calendar year, for a PERA employer without any reduction in retirees' monthly PERA benefits.

## **1985**

### **SB 85-67**

- Established the Health Care Trust Fund (HCTF) on 7/1/85 by allocating 0.8% of employer payroll contribution to the HCTF.
- Effective 7/1/86, the PERA Health Care Program began covering PERA retirees and other PERA benefit recipients; retiree health care premium subsidies were first paid from the HCTF; and the state appropriation that had paid health care premium subsidy to state retirees was discontinued.

**1985 (Continued)****HB 85-1110**

- Allowed surviving spouse of a member who died before 7/1/79 with 10 or more years of service, to elect PERA's Option 3 continuing (100% joint life) benefit. Surviving spouses of members who died 7/1/79 or later, already had this benefit.

**1984****SB 84-10**

- Increased benefits paid from the PERA CLSF to benefit recipients to make up difference between actual inflation and their regular annual increases.

**HB 84-1193**

- Authorized PERA Board of Trustees to establish a tax-deferred contribution plan, as a supplement to the PERA defined benefit (DB) retirement plan. PERA's 401(k) Plan was first offered to most school and municipal members on 7/1/85 and to state members on 2/1/86.

**1983****HB 83-1256**

- Provided that should PERA be terminated or partially terminated for any reason, the rights of all PERA members and former members to all benefits accrued to the termination date would be non-forfeitable.
- Established that all children of a deceased PERA member, including any children from prior marriages, had priority in receiving PERA survivor benefits. Previously, the deceased PERA member's widow or widower usually had priority in receiving PERA survivor benefits.

**1982****SB 82-5**

- Increased benefits paid from the PERA CLSF to benefit recipients to partially make up differences between actual inflation and their regular annual increases.

**1981****SB 81-181**

- Changed definition of HAS effective 1/1/82, to the highest 3 years of salary, instead of the highest 5 consecutive years of salary. Member contribution rate was increased from 7.75% to 8.0% of salary.

**SB 81-174**

- Changed early retirement calculation to a reduction based on the date the member would qualify for unreduced retirement, instead of when the member would attain age 60 or age 65.

**1980****SB 80-62**

- Created a Cost of Living Stabilization Fund (CLSF) to restore the purchasing power of the retiree's initial retirement benefit. CLSF increases were paid in even numbered years, and subject to the Legislature's approval. The CLSF was funded by a 2% payroll allocation from the total PERA employer payroll contribution.

**1977****SB 77-200**

- Decreased requirement for unreduced retirement benefits at age 55, from 35 to 30 years of service.

## **1975**

### **HB 75-1364**

- Improved ad hoc post-retirement benefit increases.
- Retirement formula began crediting 1% of HAS for 21 through 40 years of service worked before 7/1/69, in addition to prior formula's 2.5% per year of HAS for the first 20 years of service. Maximum retirement benefit was still 70% of HAS.

## **1973**

### **SB 73-81 and SB 73-135**

- Increased maximum annual COLA from 1.5% to 3% per year.
- Reduced disability retirement eligibility requirement from 15 years to 5 years of service.
- Reduced survivor benefit eligibility requirement from 3 years to 1 year of service.
- Member contribution rates increased from 7.0% to 7.75% of salary. State employer contribution rate increased from 8.5% to 10.64% of salary by 7/1/75.

## **1971**

### **SB 71-221**

- First allowed early retirement at age 55 with 20 years of service or at age 60 with 5 years of service.

## **1969**

### **SB 69-144, SB 69-311, HB 69-1230, and HB 69-1247**

- Retirement formula began crediting 1% of Highest Average Salary (HAS) for 21 through 40 years of service worked since 7/1/69, in addition to prior formula's 2.5% per year of HAS for the first 20 years of service. Maximum retirement benefit was 70% of HAS.
  - HAS was defined as the highest five consecutive years in last 10 years of service before retirement.
  - Additional 1% HAS now credited with 21-40 years service worked since 7/1/69 did not affect benefits of members already retired.
- New annual post-retirement increase (COLA) adopted provided maximum 1.5% per year, in addition to ad hoc COLA increases that were based on the year in which the retirement benefit had begun.
- New language incorporated in statute to ensure PERA fund's actuarial soundness:
  - Legislature declared its intent to establish employer contribution rates to provide adequate funding of PERA's accrued retirement benefits.
  - PERA Board of Trustees was required to submit an annual actuarial valuation report to the Legislative Audit Committee and the Joint Budget Committee, together with any recommendations concerning PERA's accrued liabilities.
  - Amortization of PERA's actuarial liabilities over a 60 year period was deemed adequate to maintain the retirement fund's actuarial stability.